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Reagan Faces Opposition in GOP On Several Major Policy Issues

Powerful Capitol Hill Figures Seem Out of President's Reach

By James R. Dickenson
 Washington Post Staff Writer

Just three weeks after his landslide reelection, President Reagan suddenly seems isolated from powerful figures in his party on several major issues, including reduction of federal budget deficits, reform of the tax system and covert aid to Nicaraguan rebels.

Sen. David F. Durenberger (R-Minn.), the probable new chairman of the Senate Select Committee on Intelligence, has said he will oppose

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renewal of covert aid to guerrillas fighting the leftist Sandinista regime in Nicaragua. Administration attempts to pay for this program have been defeated three times in the Democratic-controlled House.

The tax-simplification plan proposed Wednesday by the Treasury Department has been praised by some Democrats, but is meeting general resistance from Republicans, including Sen. Bob Packwood of Oregon, the incoming chairman of the Finance Committee.

Many Capitol Hill Republicans are opposed to some of the domestic spending cuts proposed by Office of Management and Budget Director David A. Stockman and contend, contrary to Reagan's insistence, that the Defense Department should share some of the heat. None seriously believe that the Pentagon budget will be cut, but there is strong sentiment that it shouldn't be increased by nearly as much as Defense Secretary Caspar W. Weinberger has asked.

But there is less than meets the eye in all this.

Part of what is happening is the inevitable political dialectic that takes place at the beginning of a new administration and a new Congress. Stockman has proposed deep

cuts in some domestic programs and a smaller increase in defense spending. Reagan accepted some suggestions and rejected others.

Then party leaders of both chambers met with the president and told him it is impossible to enact much of what he wants in the way that he wants it. Somewhere down the line the synthesis will be hammered out and a budget will emerge.

This year, there are significant differences from four years ago when Reagan got a substantial part of his economic programs through the new Republican Senate and the Democratic-controlled House.

One difference is that he became a lame-duck president after Nov. 6, meaning that, in the words of Sen. Dan Quayle (D-Ind.), "A second administration is always tougher because a lame duck has less clout."

Another difference is that while Republicans still control the Senate, they are starting over with new leaders—a new majority leader in Sen. Robert J. Dole (R-Kan.), who, while he has pledged complete cooperation with the president, is a veteran of the tax-writing Finance Committee, has strong views on how to reduce the deficits and reform the tax system and is expected to be more independent of the White House than his predecessor, Sen. Howard H. Baker Jr. (R-Tenn.)

He isn't the only one likely to be more independent. Twenty-two of his GOP constituents are up for reelection in 1986, and most feel vulnerable to some degree.

Finally, the administration's approach is different than four years ago.

"The administration doesn't seem to have a clear-cut agenda of what it wants," Quayle said. "In 1981, they knew exactly what they wanted. They campaigned on Kemp-Roth [a

tax cut plan] and they pushed it through. There isn't the momentum dynamic there was then."

Capitol Hill Republicans seem to be coming to an agreement on a budget freeze as a start on reducing the budget deficits.

"Go back and look at the votes of Democrats and Republicans," Dole said yesterday. "I think there's a majority there for the concept."

Reagan also is considering a freeze, but the sticking point is likely to be over the defense budget. He wants to continue the defense buildup—the Pentagon budget request is for a 13.9-percent increase—but Hill Republicans want this reduced so that they can protect some domestic programs marked for deep cuts.

They also appear to agree that reducing the deficits has priority over tax reform.

"There is a solid recognition that the deficits are a big problem," Sen. Paul Laxalt (R-Nev.) said yesterday. "I hope the tax reform proposals don't get in the way of the first priority. Defense has to be part of it. 'Cap' [Weinberger] has to accept something close to a freeze."

Quayle agreed.

"I think we'll separate out reform from the deficit reduction package and rally around some sort of freeze proposal," he said.

Durenberger, who is in Minnesota for the weekend, said he also thinks that his colleagues will rally around some sort of tax reform proposal.

"Some of our constituents don't want their loopholes closed but in the last 36 hours I've heard a lot who say they want bold action. We are going to get an earful on this."